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DEPARTMENT OF EDUCATION

Rehabilitation Research and Training Center (RRTCs) on Vocational Rehabilitation (VR) and Developing Strategies to Meet Employer Needs in Changing Economic Environments

AGENCY: Office of Special Education and Rehabilitative Services, Department of Education.

ACTION: Notice.

Overview Information:

CFDA Number: 84.133B-1

Proposed Priority--National Institute on Disability and Rehabilitation Research (NIDRR)--Disability and Rehabilitation Research Projects and Centers Program--Rehabilitation Research and Training Center (RRTCs) on Vocational Rehabilitation (VR) and Developing Strategies to Meet Employer Needs in Changing Economic Environments.

SUMMARY: The Assistant Secretary for Special Education and Rehabilitative Services proposes a funding priority for the Disability and Rehabilitation Research Projects and Centers Program administered by NIDRR. Specifically, this notice proposes a priority for an RRTC on Vocational Rehabilitation and Developing Strategies to Meet Employer Needs in Changing Economic Environments. The Assistant

Secretary may use this priority for competitions in fiscal year (FY) 2012 and later years. We take this action to focus research attention on areas of national need. We intend this priority to improve employment outcomes for individuals with disabilities.

DATES: We must receive your comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Address all comments about this notice to Marlene Spencer, U.S. Department of Education, 400 Maryland Avenue, SW., room 5133, Potomac Center Plaza (PCP), Washington, DC 20202-2700.

If you prefer to send your comments by e-mail, use the following address: marlene.spencer@ed.gov. You must include the term "Proposed Priority--RRTC on Vocational Rehabilitation and the Local and Regional Economic Environments" in the subject line of your electronic message.

FOR FURTHER INFORMATION CONTACT: Marlene Spencer.

Telephone: (202) 245-7532 or by e-mail:
marlene.spencer@ed.gov.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

This notice of proposed priority is in concert with NIDRR's currently approved Long-Range Plan (Plan). The Plan, which was published in the Federal Register on February 15, 2006 (71 FR 8165), can be accessed on the Internet at the following site:

www.ed.gov/about/offices/list/oters/nidrr/policy.html.

Through the implementation of the Plan, NIDRR seeks to: (1) improve the quality and utility of disability and rehabilitation research; (2) foster an exchange of expertise, information, and training to facilitate the advancement of knowledge and understanding of the unique needs of traditionally underserved populations; (3) determine best strategies and programs to improve rehabilitation outcomes for underserved populations; (4) identify research gaps; (5) identify mechanisms of integrating research and practice; and (6) disseminate findings.

This notice proposes a priority that NIDRR intends to use for RRTC competitions in FY 2012 and possibly later

years. However, nothing precludes NIDRR from publishing additional priorities, if needed. Furthermore, NIDRR is under no obligation to make an award for this priority. The decision to make an award will be based on the quality of applications received and available funding.

Invitation to Comment: We invite you to submit comments regarding this notice. To ensure that your comments have maximum effect in developing the notice of final priority, we urge you to identify clearly the specific topic that each comment addresses.

We invite you to assist us in complying with the specific requirements of Executive Orders 12866 and 13563 and their overall requirement of reducing regulatory burden that might result from this notice. Please let us know of any further ways we could reduce potential costs or increase potential benefits while preserving the effective and efficient administration of the program.

During and after the comment period, you may inspect all public comments about this notice in room 5133, 550 12th Street, SW., PCP, Washington, DC, between the hours of 8:30 a.m. and 4:00 p.m., Washington, DC, time, Monday through Friday of each week except Federal holidays.

Assistance to Individuals with Disabilities in Reviewing the Rulemaking Record: On request we will provide an appropriate accommodation or auxiliary aid to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for this notice. If you want to schedule an appointment for this type of accommodation or auxiliary aid, please contact the person listed under FOR FURTHER INFORMATION CONTACT.

Purpose of Program: The purpose of the Disability and Rehabilitation Research Projects and Centers Program is to plan and conduct research, demonstration projects, training, and related activities, including international activities; to develop methods, procedures, and rehabilitation technology that maximize the full inclusion and integration into society, employment, independent living, family support, and economic and social self-sufficiency of individuals with disabilities, especially individuals with the most severe disabilities; and to improve the effectiveness of services authorized under the Rehabilitation Act of 1973, as amended (Rehabilitation Act).

RRTC Program:

The purpose of the RRTCs, which are funded through the Disability and Rehabilitation Research Projects and Centers Program, is to improve the effectiveness of services authorized under the Rehabilitation Act, through advanced research, training, technical assistance, and dissemination activities in general problem areas, as specified by NIDRR. Such activities are designed to benefit rehabilitation service providers, individuals with disabilities, and the family members or other authorized representatives of individuals with disabilities. Additional information on the RRTC program can be found at:

www.ed.gov/rschstat/research/pubs/res-program.html#RRTC.

Statutory and Regulatory Requirements of RRTCs

RRTCs must--

- Carry out coordinated advanced programs of rehabilitation research;
- Provide training, including graduate, pre-service, and in-service training, to help rehabilitation personnel more effectively provide rehabilitation services to individuals with disabilities;
- Provide technical assistance to individuals with disabilities, their representatives, providers, and other interested parties;

- Disseminate informational materials to individuals with disabilities, their representatives, providers, and other interested parties; and
- Serve as centers of national excellence in rehabilitation research for individuals with disabilities, their representatives, providers, and other interested parties.

Applicants for RRTC grants must also demonstrate in their applications how they will address, in whole or in part, the needs of individuals with disabilities from minority backgrounds.

Program Authority: 29 U.S.C. 762(g) and 764(b)(2).

Applicable Program Regulations: 34 CFR part 350.

PROPOSED PRIORITY:

This notice contains one proposed priority.

Rehabilitation Research and Training Center (RRTC) on Vocational Rehabilitation and Developing Strategies to Meet Employer Needs in Changing Economic Environments.

Background:

The Rehabilitation Act authorizes the establishment of the State VR Services Program (VR Program). This program is facing new challenges in the current economy, which has resulted in job losses for many American workers. During

the period between 2007 and 2009, the size of the employed workforce decreased for all working-age persons. However, individuals with disabilities experienced a 12.3 percent employment rate decline, from 4.7 million to 4.2 million, as compared to a 3.4 percent employment rate decline for working-age adults without disabilities (Kaye, 2010). Furthermore, the length of time that individuals with disabilities remained unemployed during this period was 25 percent longer than the duration for individuals without disabilities (Fogg, Harrington & McMahon, 2010, 2011). There has also been a decrease in successful outcomes for consumers who received services through the VR program. In 2007, 205,447 (34.2 percent) of VR participants exited the program with employment. These figures declined to 171,904 (26 percent) of VR participants by 2010 (Rehabilitation Services Administration, 2012). Employers' decisions to hire and retain workers are rooted in economic conditions and trends. Employers base hiring decisions on their need for workers to meet demands of their businesses (Banerij, McArthur, Mainardi & Ammann, 2009; Quelch & Jocz, 2009). Therefore, the ability to match VR program participants with employer needs is enhanced when rehabilitation professionals have an understanding of the dynamic economic

context in which individuals with disabilities and employers exist. For example, labor market variables such as unemployment rates and per-capita income have a significant influence on employment outcomes for individuals with disabilities (Government Accountability Office, 2007). VR professionals need to have an understanding of the economic environment in which prospective employers exist (e.g., which sectors of the economy are growing, and which sectors are downsizing). Accordingly, if rehabilitation professionals are to improve employment outcomes of the individuals they serve, they will need to increase their knowledge of local, regional, and even national economic conditions and trends (Gilbridge & Stensurd, 2008).

A "demand side" model of VR views the needs of employers as a critical variable that is associated with employment outcomes of individuals with disabilities (Luecking, 2008; Unger, 2006). In this model, job development services focus on employer needs and are aimed at improving employers' business outcomes (Luecking, 2008; Unger, 2007). In the VR context, demand side approaches focus not only on hiring, but also on job retention of employees with disabilities who may be at risk of exiting

the workforce (Habeck, Kregel, Head & Yasuda, 2007). From this perspective, VR does not end at a single point in time (e.g., when an individual is hired), but is rather a dynamic, ongoing process in which rehabilitation professionals align the strengths and goals of workers with disabilities with the needs of employers.

Development of service delivery models that take into account changes in economic conditions and the subsequent impact on labor market conditions are necessary to ensure that State VR agencies provide services that meet the needs of individuals with disabilities and their employers. One resource that could serve as a model for VR professionals are the "Rapid Response" activities authorized by the Workforce Investment Act. Yet, a recent study found that VR staff are not "typically" involved in the Rapid Response program (Heidkamp & Mabe 2011).

Research and development related to demand side models of employment service delivery can provide VR professionals with new tools to understand and address evolving employment challenges, including how to help ensure that individuals with disabilities have the skills needed to work in growing occupational sectors.

References:

Banerij, S., McArthur, N., Mainardi, C. & Ammann, C. (2009). Recession response: Why companies are making the wrong moves. Booz & Company.

Fogg, N. P., Harrington, P. E., & McMahon, B. T. (in press). The impact of the Great Recession on the unemployment of Americans with disabilities. Journal of Vocational Rehabilitation.

Fogg, N. P., Harrington, P. E., & McMahon, B. T. (2011). The underemployment of persons with disabilities during the Great Recession. The Rehabilitation Professional, 19(1), 3-10.

Gilbridge, D., & Strensrud, R. (2008). Why won't they just do it? Rehabilitation Education, 22, 125-132.

Government Accountability Office (2007). Improved Information and Practices May Enhance State Agency Earnings Outcomes for SSA Beneficiaries. GAO Report 07-521.

Habeck, R., Kregel, J., Head, C., & Yasuda, S. (2007). Salient and subtle aspects of demand side approaches for employment retention: Lessons for public policymakers.

Heldkamp, M. & Mabe, W. (2011). The Great Recession and Serving Dislocated Workers with Disabilities: Perspectives from One-Stop Career Centers and Rapid

Response Coordinators. Report of the NTAR Leadership Center.

Kaye, H. S. (2010). The impact of the 2007-09 recession on workers with disabilities Monthly Labor Review, 133, 19-30.

Luecking, R.G. (2008). Emerging employer views of people with disabilities and the future of job development. Journal of Vocational Rehabilitation, 29, 3-13.

Quelch, J. and Jocz, K. (2009) How to market in a downturn, Harvard Business Review, 87, 4, 52-62.

Rehabilitation Services Administration (2012). RSA-911 Case Service Report. Washington, DC: U.S. Department of Education.

Unger, D. (2007). Addressing employer personnel needs and improving employment training, job placement and retention for individuals with disabilities through public-private partnerships. Journal of Vocational Rehabilitation, 26, 39-48.

Proposed Priority:

The Assistant Secretary for Special Education and Rehabilitative Services proposes a priority for a Rehabilitation Research and Training Center (RRTC) on Vocational Rehabilitation (VR) and Developing Strategies to

Meet Employer Needs in Changing Economic Environments.

This RRTC must conduct research that contributes to identifying effective VR practices that take into account economic conditions, labor market trends, and employer needs. This RRTC will contribute to improved employment outcomes by generating new knowledge about effective practices that can be used by State VR agencies in serving their customers, including both program participants and employers. Under this priority, the RRTC must contribute to the following outcomes:

(a) New knowledge to improve responsiveness of VR agencies to employer workforce needs in a changing economy. The RRTC must contribute to this outcome by conducting research or development activities on effective ways for State VR agencies to assess employer needs and expectations in the changing economic environment in which businesses operate. The RRTC must conduct research to identify or develop effective strategic planning models that will support State VR agency efforts to anticipate and prepare for changing employer and labor market needs. In addition, the RRTC must conduct research to identify existing programs, e.g., Workforce Investment Act "Rapid Response" programs, that may be useful in helping VR agencies

mitigate the impact of changing economic conditions. These research or development activities must include identification of methods of tracking, analyzing, and reacting to changing employer needs, including those related to economic conditions such as analysis of labor market trends and analysis of projected growth areas.

(b) Improved job training, development, and placement services and strategies. The RRTC must contribute to this outcome by conducting research to identify or develop effective service delivery models that take into account current and future employer workforce needs, including needed job skills. Components of these models may include, but are not limited to: employer partnerships to facilitate the identification of employer needs; incorporation of employer needs in planning job development, placement, and retention strategies; training opportunities to provide individuals with disabilities with skills that match employer needs; and strategic planning processes designed to respond to changing employer and economic needs.

(c) Improved training and continuing education for VR professionals. The RRTC must contribute to this outcome by developing and disseminating materials that incorporate findings from the research and development activities

conducted under paragraphs (a) and (b) of this priority. These materials must be developed for use by State VR agencies to improve their ability to use information generated to develop strategies and services that will better meet the needs of employers in the context of local and regional economic and labor market conditions and to increase employment outcomes for VR participants.

In addition, through coordination with the NIDRR Project Officer, this RRTC must--

(1) Collaborate with RSA's Regional Technical Assistance Network, including Regional Technical Assistance and Continuing Education (TACE) Centers to disseminate new knowledge to VR State agency personnel and key stakeholders; and

(2) Collaborate with NIDRR grantees that are conducting work relevant to this RRTC.

Types of Priorities:

When inviting applications for a competition using one or more priorities, we designate the type of each priority as absolute, competitive preference, or invitational through a notice in the Federal Register. The effect of each type of priority follows:

Absolute priority: Under an absolute priority, we consider only applications that meet the priority (34 CFR 75.105(c)(3)).

Competitive preference priority: Under a competitive preference priority, we give competitive preference to an application by (1) awarding additional points, depending on the extent to which the application meets the priority (34 CFR 75.105(c)(2)(i)); or (2) selecting an application that meets the priority over an application of comparable merit that does not meet the priority (34 CFR 75.105(c)(2)(ii)).

Invitational priority: Under an invitational priority, we are particularly interested in applications that meet the priority. However, we do not give an application that meets the priority a preference over other applications (34 CFR 75.105(c)(1)).

Final Priority: We will announce the final priority in a notice in the Federal Register. We will determine the final priority after considering responses to this notice and other information available to the Department. This notice does not preclude us from proposing additional priorities, requirements, definitions, or selection

criteria, subject to meeting applicable rulemaking requirements.

Note: This notice does not solicit applications. In any year in which we choose to use this priority, we invite applications through a notice in the Federal Register.

Executive Orders 12866 and 13563:

Regulatory Impact Analysis

Under Executive Order 12866, the Secretary must determine whether this regulatory action is "significant" and, therefore, subject to the requirements of the Executive order and subject to review by the Office of Management and Budget (OMB). Section 3(f) of Executive Order 12866 defines a "significant regulatory action" as an action likely to result in a rule that may--

(1) Have an annual effect on the economy of \$100 million or more, or adversely affect a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or Tribal governments or communities in a material way (also referred to as an "economically significant" rule);

(2) Create serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impacts of entitlement grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles stated in the Executive order.

This proposed regulatory action is not a significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866.

We have also reviewed this regulatory action under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, Executive Order 13563 requires that an agency--

(1) Propose or adopt regulations only on a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);

(2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives and taking into account--among other things and to the extent practicable--the costs of cumulative regulations;

(3) In choosing among alternative regulatory approaches, select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);

(4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and

(5) Identify and assess available alternatives to direct regulation, including economic incentives--such as user fees or marketable permits--to encourage the desired behavior, or provide information that enables the public to make choices.

Executive Order 13563 also requires an agency "to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible." The Office of Information and Regulatory Affairs of OMB has emphasized that these techniques may include "identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes."

We are taking this regulatory action only on a reasoned determination that its benefits justify its costs.

In choosing among alternative regulatory approaches, we selected those approaches that maximize net benefits. Based on the analysis that follows, the Department believes that this proposed priority is consistent with the principles in Executive Order 13563.

We also have determined that this regulatory action would not unduly interfere with State, local, and Tribal governments in the exercise of their governmental functions.

In accordance with both Executive orders, the Department has assessed the potential costs and benefits of this regulatory action. The potential costs associated with this regulatory action are those resulting from statutory requirements and those we have determined as necessary for administering the Department's programs and activities.

The benefits of the Disability and Rehabilitation Research Projects and Centers Programs have been well established over the years in that similar projects have been completed successfully. This proposed priority will generate new knowledge through research and development.

Another benefit of this proposed priority is that the establishment of a new RRTC will improve the lives of

individuals with disabilities. The new RRTC will generate, disseminate, and promote the use of new information that will improve the options for individuals with disabilities to fully participate in their communities.

Intergovernmental Review: This program is not subject to Executive Order 12372 and the regulations in 34 CFR part 79.

Accessible Format: Individuals with disabilities can obtain this document in an accessible format (e.g., braille, large print, audiotape, or compact disc) by contacting the Grants and Contracts Services Team, U.S. Department of Education, 400 Maryland Avenue, SW., room 5075, PCP, Washington, DC 20202-2550. Telephone: (202) 245-7363. If you use a TDD or TTY, call the FRS, toll free, at 1-800-877-8339.

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Dated: May 3, 2012

Alexa Posny,
Assistant Secretary for
Special Education and
Rehabilitative Services.

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